



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

**C. WARREN NEEL, Ph.D.
COMMISSIONER**

**FOR IMMEDIATE RELEASE
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December Revenues

Nashville – On an accrual basis December is the fifth month in the 2002-2003 fiscal year. Department of Revenue tax collections were \$682.2 million. The collections include new revenue collected under the Tax Reform Act of 2002.

December revenues were \$33.8 million more than the budgeted estimates, Finance and Administration Commissioner C. Warren Neel announced today. The general fund had a \$26.9 million overcollection and the four other funds overcollected by \$6.9 million.

Sales tax collections were \$7.8 million more than the estimate. Adjusted for the rate change and the single article cap, the growth in sales tax collections was 0.35% for the month. For August through December, the adjusted growth is 1.55%.

Franchise and excise taxes combined were \$98.4 million for the month. Collections were \$23.6 million more than the budgeted estimate and included nearly \$10.5 million from a settlement. Some firms may have made their January quarterly payment early. The December collections must be combined with January revenue to assess these taxes. For five months revenues are \$2.8 million overcollected.

Gasoline taxes and motor vehicle registrations in December were \$7 million more than the budgeted estimate of \$76.4 million.

Year-to-date collections for five months are \$6 million more than the budgeted estimate. The general fund has an undercollection of \$15.2 million and the four other funds are overcollected by \$21.2 million.

The budgeted revenue estimates are based upon the State Funding Board's consensus recommendation adopted by the second session of the 102nd General Assembly in June of this year.

<p align="center">REVENUE COLLECTIONS</p> <p align="center">DECEMBER, 2002, AND 5 MONTHS YEAR-TO-DATE</p>

December Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$533,479,000	\$560,378,000	\$26,899,000
Highway Fund	43,551,000	47,617,000	4,066,000
Sinking Fund	18,834,000	18,898,000	64,000
City & County Fund	50,314,000	53,033,000	2,719,000
Earmarked Fund	2,209,000	2,254,000	45,000
Total	\$648,387,000	\$682,180,000	\$33,793,000

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$2,652,286,000	\$2,637,036,000	(\$15,250,000)
Highway Fund	234,714,000	249,508,000	14,794,000
Sinking Fund	94,668,000	94,680,000	12,000
City & County Fund	255,710,000	262,671,000	6,961,000
Earmarked Fund	13,090,000	12,554,000	(536,000)
Total	\$3,250,468,000	\$3,256,449,000	\$5,981,000

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	December			
	2001	2002	Change	Percent
Franchise & Excise	\$69,054,000	\$98,421,000	\$29,367,000	42.53%
Income	4,681,000	3,532,000	-1,149,000	-24.55%
Inheritance & Estate	6,345,000	4,406,000	-1,939,000	-30.56%
Gasoline	43,008,000	52,572,000	9,564,000	22.24%
Petroleum Special	4,547,000	5,205,000	658,000	14.47%
Tobacco	6,413,000	10,245,000	3,832,000	59.75%
Beer	1,107,000	1,329,000	222,000	20.05%
Motor Vehicle Registration	11,628,000	13,432,000	1,804,000	15.51%
Motor Vehicle Title	773,000	838,000	65,000	8.41%
Mixed Drink	2,924,000	3,289,000	365,000	12.48%
Business	788,000	293,000	-495,000	-62.82%
Privilege	13,471,000	14,932,000	1,461,000	10.85%
Gross Receipts	171,000	82,000	-89,000	-52.05%
TVA - In Lieu of Tax Payment	16,544,000	16,407,000	-137,000	-0.83%
Alcoholic Beverage	3,011,000	3,103,000	92,000	3.06%
Sales and Use	380,592,000	441,746,000	61,154,000	16.07%
Motor Vehicle Fuel	12,731,000	12,257,000	-474,000	-3.72%
Severance	80,000	77,000	-3,000	-3.75%
Coin-operated Amusement	0	14,000	14,000	-
Total	\$577,868,000	\$682,180,000	\$104,312,000	18.05%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - December			
	2001	2002	Change	Percent
Franchise & Excise	\$267,624,000	\$294,510,000	\$26,886,000	10.05%
Income	10,550,000	5,328,000	-5,222,000	-49.50%
Inheritance & Estate	36,658,000	38,139,000	1,481,000	4.04%
Gasoline	235,993,000	260,968,000	24,975,000	10.58%
Petroleum Special	26,736,000	26,065,000	-671,000	-2.51%
Tobacco	34,359,000	45,747,000	11,388,000	33.14%
Beer	6,657,000	7,570,000	913,000	13.71%
Motor Vehicle Registration	73,885,000	76,811,000	2,926,000	3.96%
Motor Vehicle Title	4,251,000	4,494,000	243,000	5.72%
Mixed Drink	14,358,000	15,559,000	1,201,000	8.36%
Business	2,166,000	526,000	-1,640,000	-75.72%
Privilege	74,675,000	79,387,000	4,712,000	6.31%
Gross Receipts	14,489,000	10,308,000	-4,181,000	-28.86%
TVA - In Lieu of Tax Payment	84,078,000	83,787,000	-291,000	-0.35%
Alcoholic Beverage	12,355,000	13,599,000	1,244,000	10.07%
Sales and Use	1,908,616,000	2,224,274,000	315,658,000	16.54%
Motor Vehicle Fuel	61,770,000	68,560,000	6,790,000	10.99%
Severance	486,000	424,000	-62,000	-12.76%
Coin-operated Amusement	9,000	393,000	384,000	-
Total	\$2,869,715,000	\$3,256,449,000	\$386,734,000	13.48%

Table 3
August - December Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ (2,300,000)	\$ (100,000)	\$ (2,400,000)
Income Tax	(1,700,000)	(1,000,000)	(2,700,000)
Inheritance Tax	3,900,000	0	3,900,000
Privilege Tax	(1,200,000)	(600,000)	(1,800,000)
Gasoline & Motor Vehicle Registration	1,700,000	23,700,000	25,400,000
Other Taxes	<u>(18,400,000)</u>	<u>(800,000)</u>	<u>(19,200,000)</u>
Sub-Total	\$ (18,000,000)	\$ 21,200,000	\$ 3,200,000
F & E Taxes	<u>2,800,000</u>	<u>0</u>	<u>2,800,000</u>
Total	<u><u>\$ (15,200,000)</u></u>	<u><u>\$ 21,200,000</u></u>	<u><u>\$ 6,000,000</u></u>